



For Immediate Release
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Senate passes MEGA extension to keep Michigan competitive for creation and retention of jobs

Lansing – The state Senate today ensured that Michigan will continue to be competitive in luring new businesses and convincing current Michigan businesses to expand their operations in the state, as they overwhelmingly approved the reauthorization of the Michigan Economic Growth Authority Act.

“The passage of this package means more job opportunities for Michigan residents,” said Jason Allen (R-Traverse City). “This legislation will help keep businesses here in Michigan as well as attract new ones and create jobs for Michigan residents.”

The MEGA program operates by offering qualifying companies Single Business Tax credits if they locate or expand their operations in Michigan.

Reauthorization of this legislation was done through a four-bill package that extends the date, provides additional oversight tools, and improves the credit-granting ability of the program, especially for high-tech businesses.

A major change to the program allows tool & die and high-tech companies to obtain MEGA credits. Other changes clarify the definition of an “affiliated business” and alter the criteria for the MEGA credits for job expansion and retention. These changes will expand the number of businesses eligible for MEGA credits.

As co-chair of the Senate joint committee examining the MEGA program, Allen was charged with listening to testimony at four separate hearings during the last three months.

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“This package will allow businesses in crucial industries such as manufacturing to recover and expand,” Allen said. “More successful businesses in Michigan means more jobs in Michigan.”

The creation of a rural business MEGA credit was also established in the legislation adopted by the Senate. Up to five MEGA grants would be made available to rural business, providing that five jobs are created in the first year and 25 by the end of five years.

“This is a substantial step to helping Michigan keep rural shops and many manufacturers in Michigan,” Allen said. “By offering this rural MEGA credit, we can help curb the flow of manufacturing jobs out of Michigan.”

“Since the creation of the MEGA Act in 1995, only three MEGA credits have been awarded to businesses in northern Michigan,” Allen said. “By creating the rural MEGA credits, it opens the doors for northern Michigan companies to receive these credits and create more jobs.”

Senate Bills 820-822 and 824 now go to the House of Representatives for approval.

The program was set to expire Dec. 31, 2003, but approval of the package will extend the program until Dec. 31, 2009.

One of the major economic incentives used by Michigan to attract business growth, MEGA is one of the main programs in the nine-point Republican “Job Opportunities for Business Success” plan.

Several other portions of the JOBS program are expected to come before the full Senate Thursday.

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